Y.V. Reddy Committee for review of Small Savings Schemes

†3149. PROF. M.M. AGARWAL: Will the Minister of FINANCE be pleased to refer to answer to Unstarred Question 1015 given in the Rajya Sabha on the 27th November, 2001 and state:

(a) whether Government propose to stop existing facilities on small savings schemes like fixed rates of interest and tax exemption; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) The recommendation of the Reddy Committee to benchmark administered interest rates to the yield on Government securities of like maturity in the secondary market has been accepted and acted upon *w.e.f.* March 1, 2002. No other proposal relating to interest rates/tax exemption concerning small savings schemes is under consideration of the Government.

Panel to study revenue loss

3150. SHRI B.J. PANDA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have set up a panel to study the revenue loss arising out of the Value Added Tax (VAT) system; and

(b) if so, the composition and the terms of reference of the Committee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes Sir.

(b) The Committee is headed by Additional Secretary (Revenue),

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† Origin a I notice of the question was received in Hindi.

Government of India with representatives of some of the State Governments and of some other relevant Departments of the Government of India as members.

The Committee is to develop clear and measurable criteria for assessing revenue loss, if any, to individual States due to introduction of VAT and make recommendations regarding the manner as well as quantum of compensation.

Cess on crude oil production

†3151. SHRI RAJIV RANJAN SINGH 'LALAN': Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that cess at the rate of Rs. 900 per tonne is being collected by Government on domestic crude oil production in the country;

(b) if so, when this cess was introduced and the amount of total collection from the cess till March, 2002;

(c) whether it is also a fact that this cess was imposed for the development and expansion of the petroleum sector; and

(d) if so, what is Goverment's reaction in this regard and the balance amount in this fund?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes Sir.

(b) Levy of cess on crude oil produced in India at the rate of Rs. 60 per tonne was introduced with effect from 13.1.1975. At present the rate of cess on the production of domestic crude oil is Rs. 1800 per tonne other than crude oil produced under specified production sharing contracts for which the rate of cess is Rs. 900 per tonne. The net cess proceeds collected till March 2002 is approximately Rs. 39,600 crores.

(c) and (d) The cess has been imposed for development of oil

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